

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7713

BILL NUMBER: HB 1636

NOTE PREPARED: Jan 14, 2007

BILL AMENDED:

SUBJECT: Courthouse and Public Building Renovation Grants.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes a Courthouse and Public Building Preservation and Maintenance Program for the purpose of providing grants to counties for the maintenance and preservation of courthouses and other public buildings. It requires the Natural Resources Commission (NRC) to establish criteria for awarding the grants and implementing the program. The bill also establishes the Courthouse and Public Building Preservation and Maintenance Grant Fund.

The bill establishes the Archeology Preservation Trust Fund to assist private homeowners who accidentally discover an artifact, a burial object, or human remains and need assistance to comply with an approved archeological or development plan.

The bill adds a \$1 fee to the fee or charge for (1) a birth, death, or stillbirth record, if a fee for the records is charged by the local department of health; (2) a marriage license; (3) the filing of a petition for legal separation, paternity, or dissolution of marriage; (4) the recording of a deed; and (5) the recording of a mortgage; and requires \$100,000 of the fees collected to be deposited in the Archeology Preservation Trust Fund in the fiscal years ending June 30, 2008, and June 30, 2009. For all other years, the bill requires 1% of the fees collected to be deposited in the Archeology Preservation Trust Fund and 99% of the fees collected to be deposited in the Courthouse and Public Building Preservation and Maintenance Grant Fund.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The NRC must adopt rules to implement this proposal. The NRC should be able to adopt rules given its existing level of resources.

The Department of Natural Resources (DNR) must administer the program and the fund. To be eligible for a grant, a county must file an application with the DNR. In considering whether to make a grant, the DNR must give preference to historic structures or to a building that is a courthouse that currently functions as a courthouse. The DNR must consider other financial factors. The DNR must also conduct inspections and make periodic reports to the NRC. Expenses of administering the fund and nonrecurring administrative expenses incurred to carry out the program must be paid from revenue in the fund.

The bill annually appropriates to the DNR the entire amount of money in the fund for the use of the DNR in carrying out the program. The DNR, subject to the approval of the Governor and Budget Director, may direct the Auditor of State to make an approved grant from the fund to a county.

Archeology Preservation Trust Fund: The DNR may conduct a program to assist private homeowners who have accidentally discovered an artifact, a burial object, or human remains and who need assistance to comply with an approved plan to excavate or secure the site from further disturbance. The DNR Division of Historic Preservation and Archeology may conduct the program alone or by entering into an agreement with any entity that the division selects.

In conducting the program, the DNR may receive gifts and grants under terms, obligations, and liabilities that the division director considers appropriate. The director must use a gift or grant to carry out the assistance and according to the terms and obligations of the gift or grant. The division director must administer the fund. The bill provides that the Division may adopt rules to govern the administration of the fund. Expenses of administering the fund must be paid from money in the trust fund.

Initial Fee Distribution: During each of FY2008 and FY 2009, the Treasurer of State must deposit the first \$100,000 of the fees collected during the state fiscal year in the Archaeology Preservation Trust Fund. Any fees collected during the state fiscal year that exceed \$100,000 must be deposited in the Courthouse and Public Building Preservation and Maintenance Grant Fund.

Explanation of State Revenues: *Courthouse and Public Building Preservation and Maintenance Grant Fund:* The Courthouse and Public Building Preservation and Maintenance Grant Fund is established within the State Treasury. The DNR may receive grants, gifts, and contributions from public and private sources, including, on behalf of the state, grants from agencies and instrumentalities of the U.S. for deposit in the fund. For each of FY 2008 and FY 2009, the first \$100,000 of fee revenue is to be deposited into the Archaeology Preservation Trust Fund and the balance, estimated to be \$1,112,300, is to be deposited into the Courthouse and Public Building Preservation and Maintenance Grant Fund. Beginning in FY 2010, the fund consists of 99% of the additional \$1 fee collected for certificates of birth, death, or stillbirth registration; marriage certificates; petitions for legal separation, paternity, or dissolution of marriage; the recording of a deed; and the recording of a mortgage. Revenue generated by the 99% is estimated at \$1.2 M per year.

The fund may also consist of appropriations from the General Assembly. Money in the fund at the end of a state fiscal year does not revert to the state General Fund but remains in the fund. The Treasurer of State must invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments must be deposited in the fund.

Archeology Preservation Trust Fund: The Auditor of State must establish the Archeology Preservation Trust Fund. For each of FY 2008 and FY 2009, the first \$100,000 of new fee revenue is to be deposited into the Archaeology Preservation Trust Fund. Beginning in FY 2010, the fund consists of 1% of the additional \$1 fee collected for certificates of birth, death, or stillbirth registration; marriage certificates; petitions for legal

separation, paternity, or dissolution of marriage; the recording of a deed; and the recording of a mortgage. Revenue generated by the 1% is estimated at \$12,123 per year.

The fund may also consist of money appropriated by the General Assembly and gifts and grants. The Treasurer of State must invest money in the fund that is not currently needed to meet the obligations of the trust fund in the same manner as other public trust funds may be invested. The Treasurer must deposit in the fund the interest that accrues from the investment of the trust fund. Money in the fund at the end of a state fiscal year does not revert to the state General Fund.

Background - Revenue Estimates for Both Funds: A \$1 fee increase is added for the issuance of marriage licenses. In CY 2002, the Department of Health (DOH) reported 44,952 marriages in Indiana. This is the most recent data readily available.

The bill adds a \$1 fee for the filing of a petition for a legal separation, paternity, or a dissolution of marriage. In CY 2005, the courts reported that 39,039 petitions for divorce were filed. It is assumed that this number includes petitions for legal separation.

In CY 2005, the courts reported that 18,277 petitions for paternity were filed.

The bill adds a \$1 fee increase for each deed the recorder records. In FY 2005, approximately 181,254 sales disclosure forms were filed. Sales disclosure forms are required to be filed with nearly every land transaction and therefore will be used as an estimator for the number of deeds recorded.

The bill also adds a fee for mortgages recorded of \$1.

County clerks transfer \$1.25 for each mortgage recorded to the Homeowner Protection Unit Account in the Attorney General's Office. In FY 2006, this account recorded \$549,241 in revenue. Divided by \$1.25, this would represent 439,293 mortgages recorded.

This bill adds a \$1 fee for a birth, death, or stillbirth record issued by a local department of health if a local fee is charged for the record. All county health departments charge a fee for the issuance of birth certificates. There is no information available to indicate the number of birth certificates issued by the local health departments. Certificates of stillbirth are included in the birth certificate classification for purposes of the fees if counties choose to charge a fee for certificates of stillbirth.

The Coroner's Training Fund assesses a similar \$1 fee on death certificates. Revenue to the Coroner's Training Fund in FY 2005 and FY 2006 was \$353,624 and \$403,943, respectively.

Estimate of Revenue Raised by the Bill	
Birth certificates (estimate) Certificates of Stillbirth	\$ 90,000
Death Certificates	\$ 400,000
Marriage licenses	\$ 45,000
Divorce Petitions	\$ 39,000
Paternity Petitions	\$ 18,300
Deeds Recorded	\$ 181,000
Mortgages Recorded	\$ 439,000
Total Estimated Revenue	\$1,212,300

For each of FY 2008 and FY 2009, the first \$100,000 of fee revenue is to be deposited into the Archaeology Preservation Trust Fund and the balance is to be deposited into the Courthouse and Public Building Preservation and Maintenance Grant Fund. Beginning in FY 2010, with the additional \$1 fees assessed, 1%, or \$12,123, must be paid into the Archaeology Preservation Trust Fund, and 99%, or \$1.2 M, into the Courthouse and Public Building Preservation and Maintenance Grant Fund.

Explanation of Local Expenditures: To be eligible for a grant, a county must file an application with the DNR. The county must also provide at least 15% of the project's costs, including in-kind contributions and previous expenditures for master planning and renovations. The county must also use recognized preservation standards for work on the project. Money may be used only for eligible preservation and restoration expenses. The impact of these provisions will depend on local action.

Explanation of Local Revenues: The Courthouse and Public Building Preservation and Maintenance Program is established to provide grants to counties for the renovation, maintenance, and preservation of courthouses and other county-owned buildings. A grant awarded may not exceed the greater of \$6 M or 2% of the amount appropriated for implementing the Courthouse and Public Building Preservation and Maintenance Program during the biennium. If all of the revenue were appropriated for the biennium and assuming that the appropriation would be twice the annual revenue, grants would be limited to \$48,492 (\$1,212,300 * 2 years * 2%).

State Agencies Affected: DNR; DOH; Governor; Budget Director; Auditor of State.

Local Agencies Affected: Counties; Local health departments.

Information Sources: DOH.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586; Kathy Norris, 317-234-1360.